

Immediately upon the organization of the Company, this pledge was renewed in a formal measure by a resolution to that effect.

The Board of Directors convened with a full knowledge of the pledge thus made to the county of Burke, and they determined to fulfil its obligations, so far as they could do so consistent with their obligations to protect the interest of the State and the other stockholders in said Company, and therefore, they adopted the resolution ordering a survey of the route to the town of Morganton, and that the contracts should be let out along the entire line surveyed at the same time, hoping that the amount subscribed for the first section would complete the road to Morganton, or to approximate so near the sum required, as to raise no serious question as to a violation on the part of the Company, in extending the section to that point.

The Chief Engineer, in the same Report, suggested that a line for the road, about three miles north of Newton, could be located which would cost some \$160,000 less than the route then surveyed *via* that town, and an actual survey made of said new line under the order of the Board since that Report, has shewn the accuracy and correctness of that suggestion. This suggestion by our Chief Engineer, raised another grave question.

It is alleged by the subscribers in the county of Catawba, that there was an understanding between themselves and the other individual stockholders before they subscribed their stock, that if the road passed through their county, the same should be located through their county town of Newton, and that the resolution of the Board, heretofore alluded to, passed at the first meeting of the Board, is in affirmance of that pledge or understanding.

The Board of Directors appreciate fully the public spirit and patriotic zeal which animated the citizens of the counties of Burke and Catawba in making their subscriptions, and are disposed, so far as they can consistently do so, to support them and their interest; but higher obligations impressed their consideration upon them. The charter of the road clearly